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BEFORE THE ARIZONA CORPORATION COMMISSION

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RENZ D. JENNINGS
 CHAIRMAN
 MARCIA WEEKS
 COMMISSIONER
 CARL J. KUNASEK
 COMMISSIONER

DOCUMENT CONTROL

IN THE MATTER OF THE PETITION OF
 AMERICAN COMMUNICATIONS SERVICES,
 INC. AND AMERICAN COMMUNICATIONS
 SERVICES OF PIMA COUNTY, INC. FOR
 ARBITRATION WITH U S WEST
 COMMUNICATIONS, INC. OF
 INTERCONNECTION RATES, TERMS, AND
 CONDITIONS PURSUANT TO 47 U.S.C.
 § 252(b) OF THE TELECOMMUNICATIONS
 ACT OF 1996.

DOCKET NO. U-3021-96-448

DOCKET NO. U-3245-96-448

DOCKETED

AUG 30 1996

DOCKETED BY

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IN THE MATTER OF THE PETITION OF
 AT&T COMMUNICATIONS OF THE
 MOUNTAIN STATES, INC. FOR
 ARBITRATION WITH U S WEST
 COMMUNICATIONS, INC. OF
 INTERCONNECTION RATES, TERMS, AND
 CONDITIONS PURSUANT TO 47 U.S.C.
 § 252(b) OF THE TELECOMMUNICATIONS
 ACT OF 1996.

DOCKET NO. U-2428-96-417

IN THE MATTER OF THE PETITION OF
 MFS COMMUNICATIONS COMPANY, INC.
 FOR ARBITRATION WITH U S WEST
 COMMUNICATIONS, INC. OF
 INTERCONNECTION RATES, TERMS, AND
 CONDITIONS PURSUANT TO 47 U.S.C.
 § 252(b) OF THE TELECOMMUNICATIONS
 ACT OF 1996.

DOCKET NO. U-2752-96-362

IN THE MATTER OF THE PETITION OF
 TCG PHOENIX FOR ARBITRATION WITH
 U S WEST COMMUNICATIONS, INC. OF
 INTERCONNECTION RATES, TERMS, AND
 CONDITIONS PURSUANT TO 47 U.S.C.
 § 252(b) OF THE TELECOMMUNICATIONS
 ACT OF 1996.

DOCKET NO. U-3016-96-402

PROCEDURAL ORDER**BY THE COMMISSION:**

On August 14, 1996, American Communications Services, Inc. ("ACSI"), filed with the Arizona Corporation Commission ("Commission") a Petition for Arbitration of Interconnection Rates, Terms, and

1 Conditions ("Petition") pursuant to 47 U.S.C. §252(b) of the Telecommunications Act of 1996 ("Act")
2 and the arbitration date has been scheduled for October 9, 1996, at the Commission's offices, 1200 West
3 Washington Street, Phoenix, Arizona.

4 On July 30, 1996, AT&T Communications of the Mountain States, Inc. ("AT&T") also filed a
5 Petition. The arbitration date has been scheduled for October 1, 1996.

6 On June 27, 1996, MFS Communications Company, Inc. ("MFS") filed a Petition with the
7 Commission. Its arbitration date has been scheduled for September 9, 1996.

8 On July 17, 1996, TCG Phoenix ("TCG") also filed a Petition. The arbitration date for TCG is
9 scheduled to begin on September 18, 1996.

10 Title 47, of the Code of Federal Regulations ("C.F.R."), § 51.513:

11 (a) A state commission may determine that the cost information available to it
12 with respect to one or more elements does not support the adoption of a rate or rates that
13 are consistent with the requirements set forth in §§ 51.505 and 51.511 of this part. In that
event, the state commission may establish a rate for an element that is consistent with the
proxies specified in this section, provided that:

14 (1) any rate established through use of such proxies shall be superseded
once the state commission has completed review of a cost study that complies with the
15 forward-looking economic cost based pricing methodology described in §§ 51.505 and
51.511 of this part, and has concluded that such study is a reasonable basis for
16 establishing element rates; and

17 (2) the state commission sets forth in writing a reasonable basis for its
selection of a particular rate for the element.

18 U S West has not filed its cost studies that comply with the forward-looking economic cost based
19 pricing methodology described in §§ 51.505 and 51.511. Nevertheless, arbitration in the above-captioned
20 matters have been set in order to comply with the Telecommunications Act of 1996, and the deadlines
21 for resolution of unresolved issues remains the same. Therefore, cost information with respect to one or
22 more elements is not presently available for the establishment of rates. Accordingly, pursuant to Title
23 47, C.F.R., § 51.513, rates that are consistent with the proxies should be used, until a review of U S West
24 cost studies has determined that such studies are a reasonable basis of establishment of element rates.

25 The above petitions for arbitration with U S West involve common issues of cost and pricing,
26 pursuant to A.A.C. R14-3-109.H and R14-2-1505.F.3., it is appropriate that those portions of the above
27 dockets concerning U S West's cost studies and rates shall be consolidated for an arbitration proceeding.

28 IT IS THEREFORE ORDERED that those portions of the above dockets concerning U S West's

1 cost studies and rates shall be consolidated for an arbitration proceeding. All other issues shall be
2 resolved in each petitioner's separate arbitration.

3 IT IS FURTHER ORDERED that the consolidated arbitration proceeding shall be held on
4 November 18, 1996, at 10:00 a.m., and each day thereafter until concluded, at the Commission's offices
5 at 1200 West Washington Street, Phoenix, Arizona 85007.

6 IT IS FURTHER ORDERED that the purpose of the consolidated arbitration proceeding shall
7 be to conduct a review of U S West's costs studies and to establish rates.

8 IT IS FURTHER ORDERED that until such costs and rates are established, unless U S West and
9 a petitioner have agreed upon interim rates, interim rates based upon the "default" proxy ranges and
10 ceilings, and interim wholesale rates, as set forth in Title 47, C.F.R., as amended on August 8, 1996, will
11 be used.

12 IT IS FURTHER ORDERED that the proxy ceilings, mid-points of proxy ranges and interim
13 wholesale rate ranges, shall be used as interim rates unless a party shows that an alternate interim price
14 consistent with the proxies, or interim rates, would be appropriate.

15 IT IS FURTHER ORDERED that interim rates are subject to a true-up after rates are established
16 pursuant to the consolidated arbitration on U S West's cost studies.

17 IT IS FURTHER ORDERED that the original of any non-proprietary filings in this proceeding
18 shall be made with Docket Control, with one copy of the filing to the Arbitrator.

19 IT IS FURTHER ORDERED that any proprietary filings shall be made with the Arbitrator with
20 a non-proprietary summary filed with Docket Control.

21 IT IS FURTHER ORDERED that documents which contain mostly non-proprietary material
22 shall be filed with Docket Control, with the proprietary portions redacted from the document, and
23 accompanied by a notice of filing proprietary document with respect to the omitted proprietary portions.

24 IT IS FURTHER ORDERED that the proprietary documents, and proprietary portions of
25 documents, shall be stamped on each page with either "proprietary" or "confidential" warnings, and shall
26 be provided on non-white paper, to clearly indicate the proprietary nature of the documents.

27 IT IS FURTHER ORDERED that US West shall file, as specified above, and provide copies to
28 the Arbitrator and all parties, all required cost studies, including its forward looking economic cost and

1 avoided retail cost studies, on or before September 6, 1996.

2 IT IS FURTHER ORDERED that direct testimony and associated exhibits to be presented at the
3 proceeding on behalf of US West shall be reduced to writing and filed, as specified above, with copies
4 provided to the Arbitrator and all parties, on or before 4:00 p.m. on September 25, 1996.


5 IT IS FURTHER ORDERED that direct testimony and associated exhibits to be presented at the
6 proceeding on behalf of each petitioner shall be reduced to writing and filed, as specified above, with
7 copies provided to the Arbitrator and all parties, on or before 4:00 p.m. on October 25, 1996.

8 IT IS FURTHER ORDERED that any rebuttal testimony and associated exhibits to be presented
9 at the proceeding on behalf of US West shall be reduced to writing and filed, as specified above, with
10 copies provided to the Arbitrator and all parties, on or before 4:00 p.m. on November 8, 1996.

11 IT IS FURTHER ORDERED that a transcript shall be made of the consolidated arbitration
12 proceeding, with the costs to be borne equally by the parties. The transcript shall be filed as specified
13 above.

14 IT IS FURTHER ORDERED that the Arbitrator(s) may rescind, alter, amend, or waive any
15 portion of this Procedural Order either by subsequent Procedural Order or by ruling at arbitration

16 DATED this 30th day of August, 1996.

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JERRY L. RUDIBAUGH
ARBITRATOR

22 Copies of the foregoing mailed/delivered
this 30th day of August, 1996 to:

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